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ABSTRACT

This presentation describes the DeVry Institute of Technology, a four-year, regionally accredited baccalaureate degree-granting institution that provides career-oriented degrees in business and technology to a diverse student population. DeVry has filled this niche for 70 years and now has 18 Institutes in the United States and Canada educating nearly 44,000 students, 56% of whom are minorities. DeVry is an example of universally accessible higher education that has become a major outlet for community college students looking to pursue a four-year degree. DeVry works closely with community colleges to establish articulation agreements. The experiences of the DeVry Institute illustrate some problems in higher education that are relevant to other institutions. DeVry has made progress toward changing the perception that career-oriented institutions are simply training students and are not capable of providing a well rounded education. As the need for skilled workers increases, it is necessary to ensure that institutions that can provide this type of growth proceed smoothly. Of the utmost importance is the existence or creation of an environment open to alternative forms of education. Maintaining an open environment does not mean allowing every institution similar credit. DeVry takes accreditation very seriously. Another public issue the Institute has faced relates to financial aid. Currently more than 75% of DeVry students rely on some sort of financial aid. These issues have relevance in the United States and in Latin America as the Latin American system of private universities expands. (SLD)

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DEVRY INSTITUTE OF TECHNOLOGY: A MODEL FOR THE 21ST CENTURY

Eugene G. Hallongren

Presented at the Seminar on
New Options for Higher Education
In Latin America:
Lessons from the Community Colleges Experience
(Sponsored by the Inter-American Development Bank
and the Harvard Graduate School of Education)
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DeVry Institute Of Technology: A Model For The 21st Century

Eugene G. Hallongren
President of DeVry Institute of Technology, Chicago Campus

INTRODUCTION

Good morning! It is a pleasure to be part of this program. Thank you for inviting me to speak with you about DeVry and the role we play in the United States higher education system and the economy. My name is Gene Hallongren and I am president of the Chicago campus of DeVry Institute of Technology. The Chicago campus is one of 18 DeVry Institutes in the U.S. and Canada. Two of our campuses are actually in the backyard of my co-presenters today. There is a DeVry campus in both Dallas, Texas and La Guardia, New York, though our La Guardia campus is relatively new. These DeVry campuses have articulation agreements with Tarrant County Junior College and La Guardia Community College, as our campuses do with most community colleges. The president of the DeVry/New York Campus and Dr. Mellow are exploring opportunities of mutual benefit to both institutions and their students.

Personally, I come from an extended background in the community college arena. Before I joined DeVry two years ago, I spent thirty years working as an administrator, a teacher, and counselor at the College of DuPage, a community college with approximately 35,000 students, located 35 miles west of Chicago.

My community college background has proven very beneficial as I have assumed my position with DeVry, a four-year, regionally accredited, baccalaureate degree-granting institution. DeVry provides career-oriented degrees in business and technology to a diverse student population. It is a niche DeVry has filled for 70 years. Given my current position with DeVry and my long-term association with community colleges, I hope to add a unique perspective to this discussion. Perhaps these insights will provide understanding of how community colleges and for-profit colleges like DeVry have contributed to the dynamic nature of higher education in the United States.

I would like to start by re-emphasizing some points made by Dr. Mellow regarding the community college influence on higher education. After that, I will focus on DeVry and what we do, before wrapping up with some fundamental ideas that DeVry has learned in its experience navigating the United States higher education system.

THE COMMUNITY COLLEGE EXPERIENCE

I believe that community colleges play a vital role in U.S. higher education. Community colleges have made higher education more accessible to a much broader cross-section of the population. Through a more open philosophy, community colleges have democratized U.S.

higher education. They have also helped to fill a truly vital role in the United States culture and economy by honestly reflecting their communities – they are colleges for the communities in which they are located. They provide education specific to the area and representative of local needs.

Their close association with the communities they serve has helped to establish a distinct link between higher education and the development of the American workforce. Local community initiatives often seek community college partnerships to meet the ever-growing need for a workforce that is skilled, knowledgeable and adaptable to a rapidly changing global landscape and economy. And as workforce issues continue to garner widespread attention, the community college example is likely to become an oft-referenced model. Actually, reviewing the program for this conference, workforce development issues are a key focus of the discussion.

As I sat in Chicago reading the subjects for this afternoon's discussion, I felt as if there was a natural connection to DeVry's mission statement.

DeVry's mission statement is as follows:

DeVry Institutes provide high-quality, career-oriented, undergraduate degree programs in business and technology to a diverse student population. These programs integrate general education to enhance graduates' personal development and career potential.

With this mission as our guide, DeVry has built both an expanding system and a proven reputation with our specific approach to education. Just as our mission states, DeVry is student-focused, concentrating on enabling our students to learn the skills necessary to succeed in the workforce.

This is our guiding doctrine and through it we have developed a robust and successful educational system that currently educates nearly 44,000 students. Yes, 44,000 students!

ABOUT DEVRY

With our mission as a launching point, and before I talk about the lessons we have learned, I would like to provide a little background on DeVry/Chicago and the Devry system.

The Chicago campus of DeVry Institute of Technology is part of an international degree-granting higher education system. DeVry has 18 campuses in nine states and two Canadian provinces. DeVry Institutes of Technology serve, as I mentioned, nearly 44,000 students. Its parent company, DeVry Inc., owns and operates DeVry University, which is composed ofDeVry Institutes, Keller Graduate School of Management and Denver Technical College. DeVry Inc. also owns and operates Becker Conviser CPA Review, which is the largest provider of certified public accountant and certified management accountant review courses in the world. All told, DeVry Inc. educates nearly 80,000 students at 350 locations in 35 countries and through online courses. The Chicago campus, of which I am president, was the first campus in the system and was founded in 1931. In the fall of 1999, DeVry/Chicago had an approximate enrollment of 4,000 students.

DeVry is a New York Stock Exchange-listed corporation with access to financing from public financial markets. It has an outstanding record of education and financial performance since it became the first for-profit degree granting institution to enter the publicly-financed domain nine years ago. DeVry was recently ranked number 11 on *Business Ethics Magazines* list of the "100 Best Corporate Citizens."

DeVry is also an excellent example of universally accessible higher education. DeVry consistently ranks in the lowest quartile for the cost of private schooling in the United States and it boasts one of the most diverse student populations in the country. A full 56 percent of the students at DeVry this past year were minorities, including 22 percent African American and 14 percent Latino. DeVry also breaks the traditional mold as a student body. Nearly half of DeVry's students are over the age of 25. Many of our students are also the first in their family to attend college.

Moreover, DeVry has become a major outlet for community college students looking to pursue a four-year degree. Approximately 35 percent of DeVry Chicago students are community college transfers. This is pretty representative of percentages throughout the DeVry system. With its student-centered and career-focused approach to education, DeVry's reputation for applications-oriented educational programs has made it an attractive alternative for those who want to parlay their degree into a successful career. DeVry works closely with community colleges to establish articulation agreements – including, as I mentioned earlier, Tarrant County and La Guardia (Houston & New York) – making it easy for community college students to transfer to a four-year institution like DeVry to complete their bachelor's degree.

DeVry specializes in teaching students through an applications-oriented curriculum that meets the demands of a growing and dynamic business and technology workforce. We offer career-oriented, four-year bachelor's degrees in the areas of business administration, accounting, information technology, electronics and computer engineering technology and computer information systems. All of our courses involve extensive laboratory experiences that incorporate an applications orientation to the theoretical focus of the course and to meet workplace needs. In addition, all degrees include a solid general education core of courses.

One of the most unique aspects of the DeVry system is its structure. The 18 campuses in the DeVry system provide a unique method of curriculum development and consistency of information. In addition, a good program or innovation at one campus can be rapidly tested, developed and implemented at another. This has led to a responsive curriculum and broad understanding of the needs of both employers and students. Hence, we can serve both constituencies much more effectively. For example:

Employers, who may have locations in different areas, can hire DeVry students from any of our campuses with the knowledge that all students have the same well-rounded, educational focus.

Conversely, students can confidently transfer from one DeVry to another, following the needs of work or family, with the knowledge that they will receive the same quality education in Chicago as they would at one of our campuses in California.

Each campus works to establish very positive relationships with local advisory boards made up of employers and educators. These boards regularly provide input on how DeVry can better educate students to meet their needs. This enables each new graduating class to come away with an even broader portfolio of skills. It is a practice that has proven extremely successful. System-wide, last year, 96 percent of our graduates who actively pursued employment in their field of academic specialty found a job within six months. Over the past ten years, that number is 93 percent.

To provide a better picture of the DeVry system, and our relationship with our students and with some of their employers, I brought along a short video.

BEGIN VIDEO (DeVry Institute of Technology video)

The video clearly demonstrates how our students and employers of DeVry graduates feel about the skills that we teach. For DeVry, interactions between the college and surrounding companies make good business sense. Because DeVry is funded with private investment capital, we place a premium on accountability. We hold ourselves accountable to the students and to the employers that hire our graduates in great numbers. If we don't provide graduates with the education and skills that employers demand, we won't be in business – it's as simple as that. So, the for-profit nature of what we do acts as an incentive to provide the kind of education that serves both students and employers.

This brings me to the crux of my presentation.

DeVry has not lasted this long or continued to grow without a few bumps in the road, some small, and some, well, very large. We obviously believe that our programs and the focus of our mission are valuable assets to any population and any economy, which is why I would like to share our experiences with you.

I would like to speak briefly about the problems we have faced and about how our experience might be of value to countries looking to build or revamp their higher education systems to be compatible with the new economy.

Lessons and Issues from the DeVry Experience

DeVry's experience in U.S. higher education has not been the same as the community college experience, nor has it been the same as the traditional collegiate or university experience. By not fitting into either of these roles, DeVry has had to carve its own unique identity and, along the way, clear a few hurdles. In doing so it has come up against some unique issues and learned some valuable lessons.

EDUCATIONAL PERSPECTIVE

DeVry has made steady progress towards changing the commonly held perception that career-oriented institutions are simply "training" students and are not capable of providing a well-rounded education. In a climate that places a high value on "education for education's sake," DeVry has made steady inroads in cracking that perception, though this did not come about without work. Our efforts have been aided by a dynamic new economy, one that places a premium on graduates who are versatile and can react readily to changing situations and trends.

So what has this new economy done to the workforce? Well, Federal Reserve Chairman Alan Greenspan puts it like this: "Human skills are subject to obsolescence at a rate perhaps unprecedented in American history." What we learned yesterday may not apply today. And what we learn tomorrow may be worthless next week. Education – applicable, lifelong education – will be needed to ensure that our workforce keeps pace with our constantly changing technology. And as the pace of technological advancement continues to grow unabated, the demand for skilled workers will also continue to skyrocket. Subsequently, colleges likeDeVry, that can provide education relevant to this economy have seen their social value rise dramatically.

I have dragged out a few numbers to illustrate my point:

- The American Electronics Association points out that between 1993 and 1999, the U.S. high-tech industry created more than one million new jobs;
- According to the U.S. Department of Commerce, in the past ten years, employment in the U.S. computer hardware and software industries almost tripled;
- And the Department of Commerce also notes that between 1995 and 1998, information technology-producing industries contributed approximately 35 percent of the nation's real economic growth.

In contrast to these growth figures are the number of applicants qualified to fill these positions.

- The Department of Commerce reported recently that the U.S. will need 1.3 million new computer scientists and engineers, systems analysts and computer programmers by 2006;
- And the Information Technology Association of America estimates that right now there are nearly 850,000 unfilled technology jobs in the United States.

The United States has seen job growth like this before, but there is a difference between growth of the past and the growth today. Today the demand is for skilled workers. Unskilled workers are unable to compete. *The New York Times* recently reported that "the overflowing prosperity of the last four years has failed to raise the second-class incomes of the one-third of [U.S.] adults who have not gone beyond high school… In the high technology economy, employers say they value a college degree as evidence that a job applicant has learned to think and master new ways of working… ."

The standard has changed. Education is now the gateway to financial independence.

Merrill Lynch notes that in the United States a person with a college education now makes 111 percent more than someone with only a high school education – that is up from a 50 percent gap only 20 years ago. The gap between the have's and the have-nots is growing, and the prime determinant is education. A skilled worker will soon be – if he isn't already -- as valuable as any traditional capital investment, be it a paved road or a modern building. Knowledgeable and adaptable employees will be the hallmark of successful companies. They will be the engines of new economic successes. Viewing education as a means to wealth and giving relevant education, the emphasis it deserves will be a major step both in this hemisphere and throughout the world.

PUBLIC POLICY ISSUES

As we see the need for skilled workers grow, it behooves us to ensure that those institutions that can provide this type of growth have the ability to proceed smoothly. And so, I would like to talk about a number of public policy issues that have, at times, inhibited the expansion of this type of quality education.

Open Environment

Of the utmost importance is the existence or creation of an environment open to alternative forms of education. Although we have made great inroads, DeVry continues to face obstacles. Currently in the U.S. there is a tendency to pigeonhole higher education institutions into specific categories. These categories often come with a stigma or an associated identity. For instance, we are consistently thought of as a vocational school. We are NOT a vocational school. We are fully-accredited, baccalaureate-degree granting institution that offers both extensive general education courses as well as focused, career-oriented courses in business and technology. Legislators, regulators and educators must be willing to see institutions likeDeVry as a valuable addition to the higher education landscape. This is particularly important now, as online and distance learning becomes ever more feasible. Throughout the United States, Mexico, Brazil and others, the Internet is becoming a powerful tool for advanced learning. By embracing the new opportunity offered by the Internet and schools like DeVry, we can contribute to the diversity of educational options available and offer access to higher education to non-traditional students. Again, an open environment is vital to the creation of this egalitarian atmosphere.

Regulation and Accreditation

At the same time, maintaining an "open" atmosphere does not mean allowing every institution similar credit. In the United States, the barriers to entry are currently relatively high, preventing most unethical institutions from establishing themselves. DeVry has been held-up as a standard in this process and has earned its reputation as a high-caliber institution. DeVry brings 70 years of experience to the table, and is currently accredited by the Commission on Institutions of Higher Education of the North Central Association of Colleges and Schools. Our electronics engineering technology program is accredited by the Technology Accreditation Commission of

the Accreditation Board for Engineering and Technology. At DeVry, we take accreditation very seriously.

However, as for-profit education becomes more prominent throughout the hemisphere there will be an increasing need for regulation and quality control. As Mr. Bernasconi, who is speaking here tomorrow, recently pointed out, Chile faced a problem in the mid-1980s, when poor regulation in private vocational education led to serious concerns about quality and eventually to a regressive pattern where public funding and social credibility were withdrawn from the sector. While Chile has since moved to correct the situation, I think the example illustrates my point quite well. An open atmosphere is not worth much if it is negated by a poor regulatory environment.

Financial Aid

My last public policy comment relates to financial aid. It is perhaps the most important part of the educational system in the United States. Without financial aid, the majority of disadvantaged or minority students would not be able to attend DeVry or most other colleges.

Currently, more than 75 percent of DeVry students rely on some sort of financial aid and this allows a population that might ordinarily have been unable to attend college to access higher education. Financial aid has providedDeVry's student population, which, as I mentioned earlier, represents a cross-section of the U.S. population, access to an education. In many ways, this represents the ideal opportunity for students in this new generation of institutions. DeVry is a melting pot of diversity and it provides an opportunity for its graduates to capitalize on the biggest economic boom since the industrial revolution.

As Latin America experiments with tuition in its public universities -- a venture that appears inevitable -- and as its system of private universities expands, governments will be forced to develop new ways to ensure equal access to the system. So, as the door continues to open to new forms of education, it is imperative that extra steps be taken to ensure these options are available to all.

Economic Needs as Determinant of Curriculum

As these policy issues come together, we return full circle to our ultimate goal – an institution that provides valuable skillsthat students can translate into career opportunities. To do this, our focus must return to the economy. At DeVry, the economy is the main determinant of curriculum and the faster we can react to developments in the economy, be they new skill sets or new technology, the faster we can prepare our students to take advantage of them. The bottom-line is that right now technology is driving the U.S. economy. Two million technology jobs will be added in the next decade. And high-tech jobs pay 59 percent more than the average private sector wage. If our higher education system cannot prepare students to fill these jobs, then our economy will suffer. Education must be responsive to the demands of the economy.

CONCLUSION

A quick note, in closing.

While ideals such as an open environment, a well-regulated marketplace, equal access and "need-based" or responsive education are far from revolutionary, they *are* fundamental to the growth of a healthy alternative education landscape. And, whether we are talking about only community colleges or broadening the discussion to include for profit institutions like DeVry, it is these foundations on which we will build a better system.

Without them, DeVry might not be where it is today.

You see, DeVry was designed to provide career-oriented education to students who might not find what they are looking for from traditional education. DeVry found that both these students and the workforce they were entering put a high priority on a degree that actually prepared them to immediately succeed in the workplace. So DeVry set out to do a few things. We tailored our curriculum to meet student needs… we sought out employers and business for their input… and we recognized that a great education, for-profit or otherwise, was one that opened the doors to the greatest majority of students… . These efforts and our past and future success might not have been possible without the fundamentals. We are very proud of what we are doing at DeVry and of the people that it serves.

In the words of our CEO – Dennis Keller – "The success of our students is our primary objective at DeVry. Our students want relevance and immediate application of learning to their careers. We find that achieving these objectives enabled us to meet [our] business and institutional goals as well."

Thank you very much for your time today, it has been a pleasure.